

FY 2006 Export Forecasts for Ag, Fishery & Solid Wood Products

Changes in FY '06 Forecast since February...

AgExports raised \$2.5 billion to record \$67 billion

AgImports raised \$1.5 billion to \$65 billion

AgTrade Surplus raised \$1 billion to \$2 billion

USDA's "Outlook for U.S. Agricultural Trade"
was released on May 24, 2006, 4pm EST

Prepared by Foreign Agricultural Service/USDA

U.S. Agricultural Trade

In 2006, horticultural products & grains drive export growth; soybeans are down. Import growth continues on strong demand for fruits & vegs, wine & beer, veg oils, live animals & tropical products.

Trade Value (\$Billion)



Key FY 2006 Commodity/Country Changes in May

Since February . . .

	Final FY 2005	Feb FY '06 For.	May FY '06 For.	Feb/May Chg	Main Reasons
Corn (\$Bil)	4.730	4.8	5.8	+1.0	(+) volume & price
Corn (mmt)	45.138	47.5	52.0	+4.5	(-) competition Argentina & China
Wheat (mmt)	26.406	27.2	26.5	-.7	(-) US crop; (+) competition

- #1 Canada +\$400 million to \$11.4 billion (fresh & processed fruits, meats)
- #2 Mexico +\$600 million to \$10.4 billion (feed grains, fresh fruit, soymeal, meats)
- #3 Japan +\$400 million to \$8.0 billion (higher feed grain prices, fresh fruits, tree nuts)
- #4 China +\$1.4 billion to \$6.8 billion (cotton, hides, broiler meat, tobacco, fresh fruit)

Top Regional Market:

Western Hemisphere forecast at \$27.8 Billion
(Asia 2nd at \$24.1 Billion)

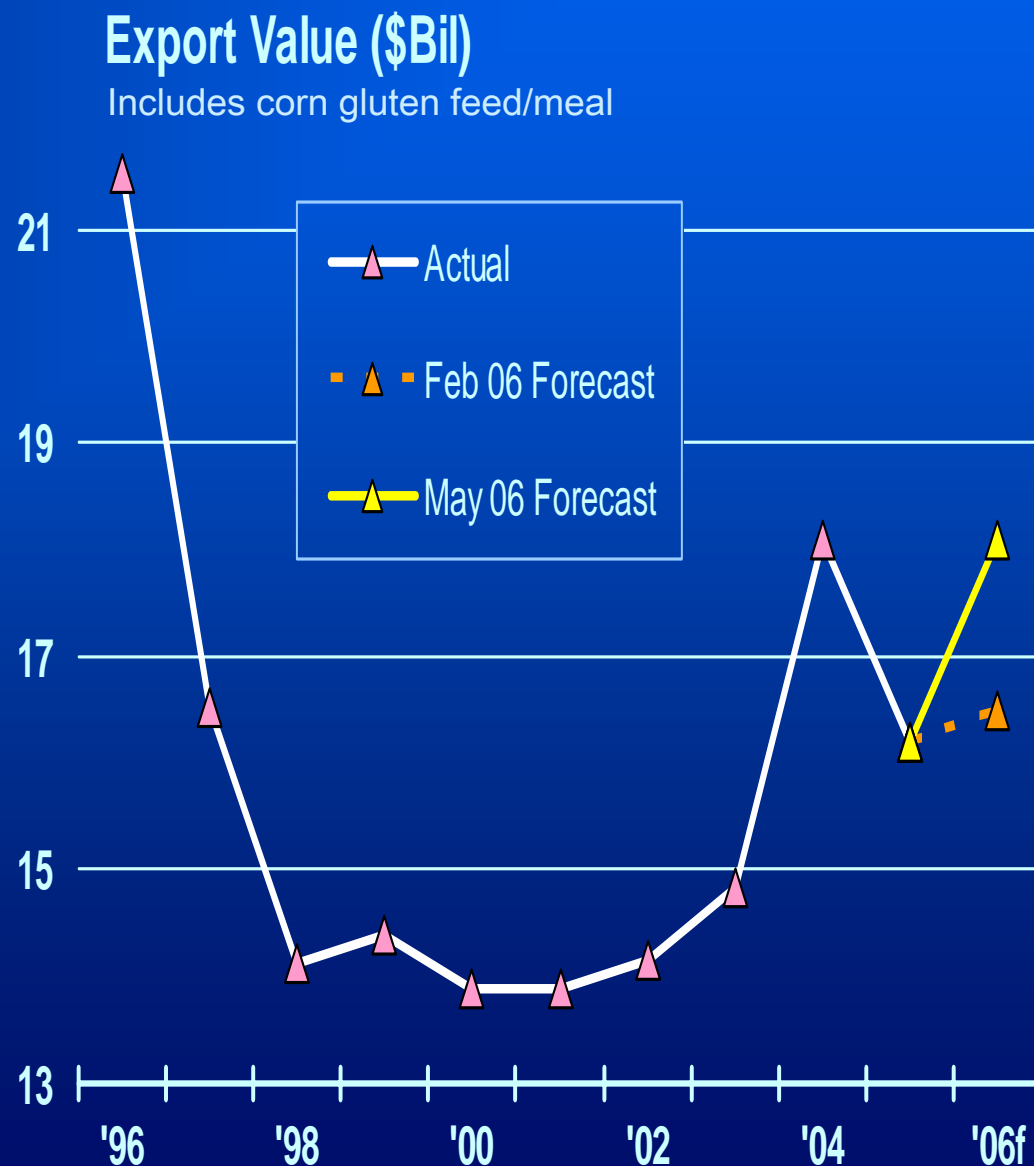
Export Outlook for Grain & Feed Products

Revised FY 2006 Forecast: \$1.6 Billion to \$18.1 Billion

Revised FY 2006 Forecast

Key Developments

- Coarse grain exports raised on less corn competition & increased sorghum demand from Mexico
- Strong feed demand & ethanol production support higher corn prices
- Lower wheat & rice export volumes, but higher unit values leave export value unchanged

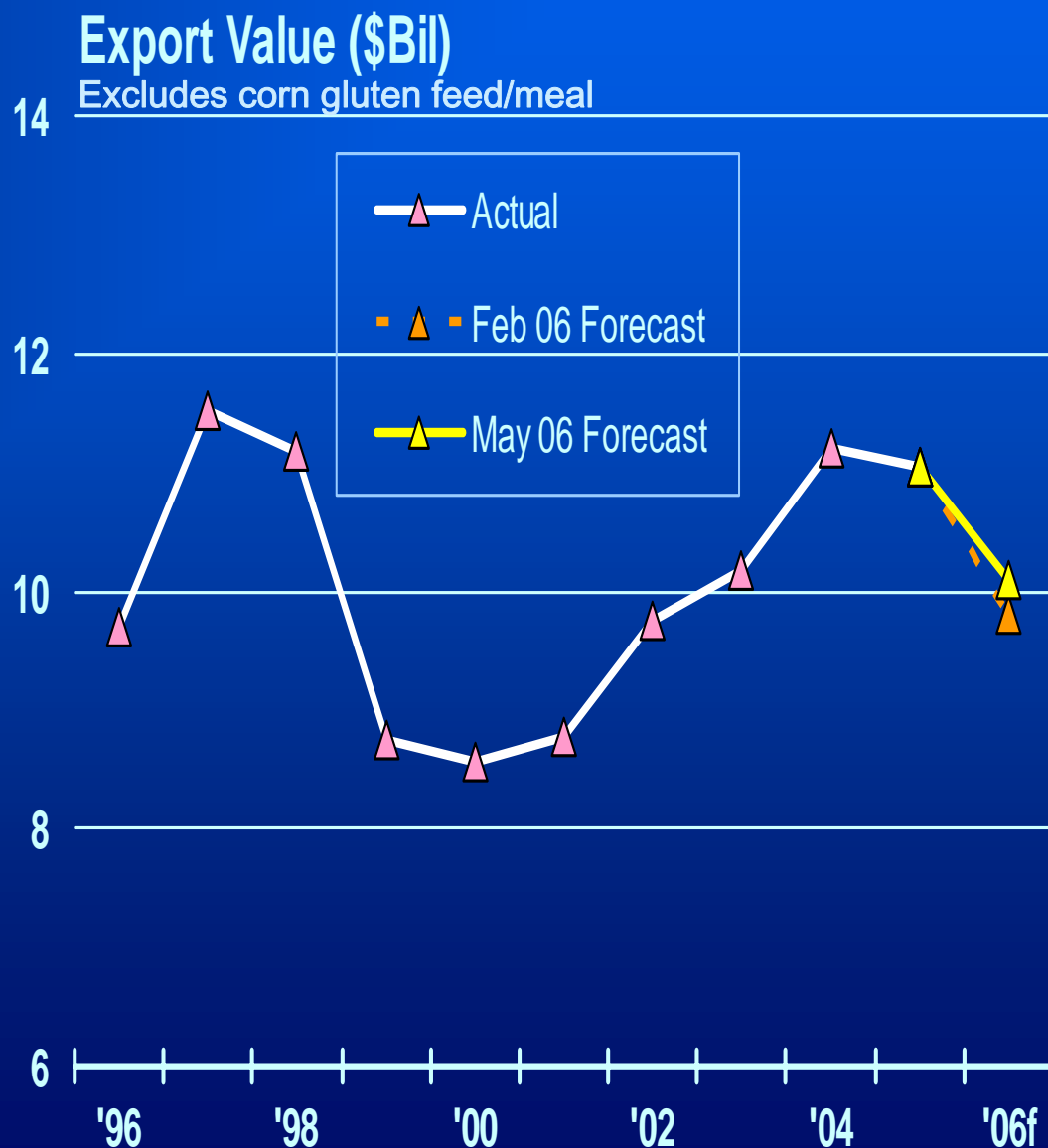


Export Outlook for Oilseeds & Products

Revised FY 2006 Forecast:  \$300 Million to \$10.1 Billion

Revised FY 2006 Forecast *Key Developments*

- Continued strong soybean sales to China
- Stronger demand for US soybean meal from Latin America and Canada



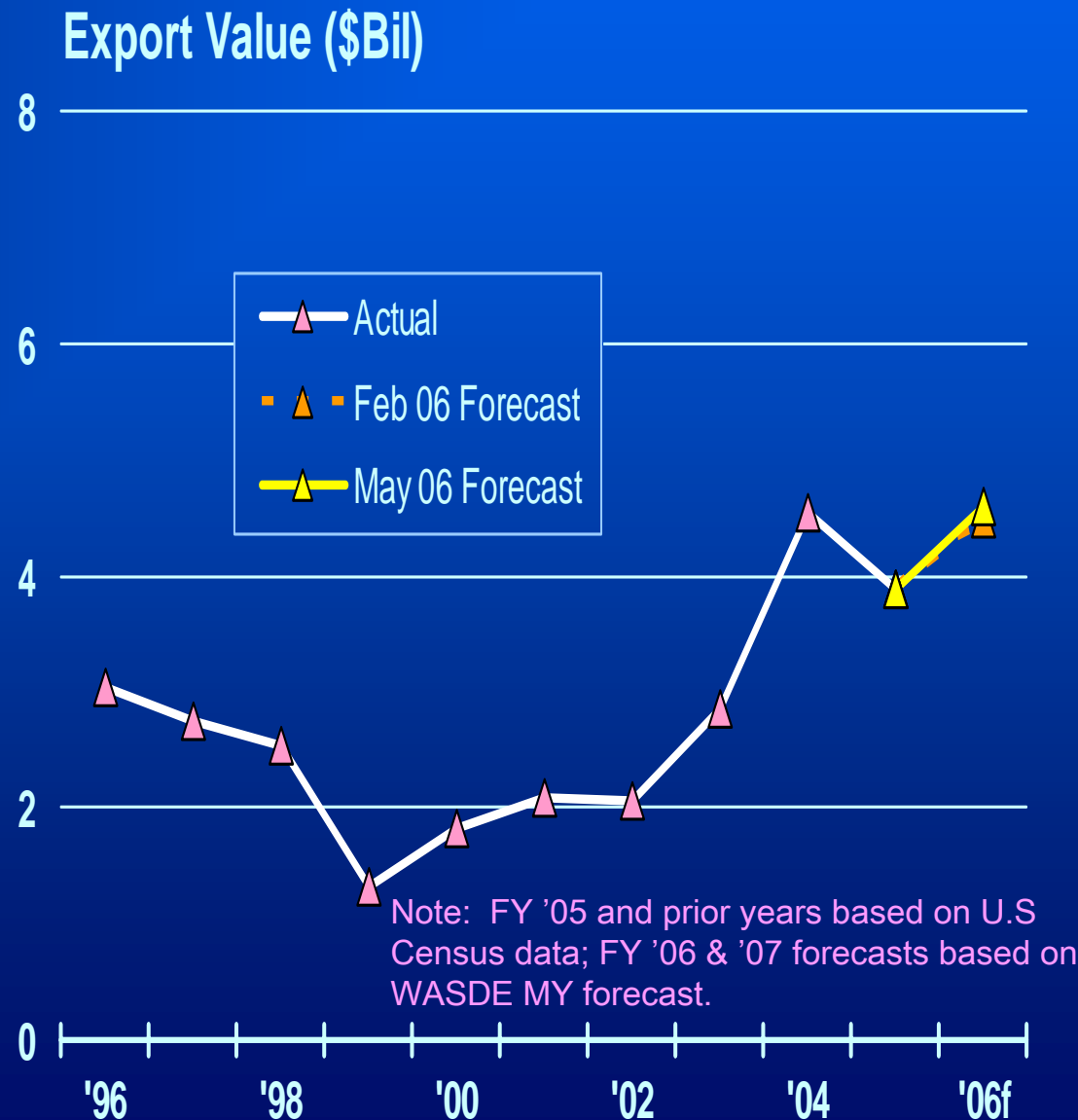
Export Outlook for Cotton

Revised FY 2006 Forecast:  \$100 Million to \$4.6 Billion

Revised FY 2006 Forecast

Key Developments

- Record U.S. cotton crop supports record exports
- Record China import demand
- Shipments increased 100,000 tons to 3.7 million tons as China shifts imports to earlier in year

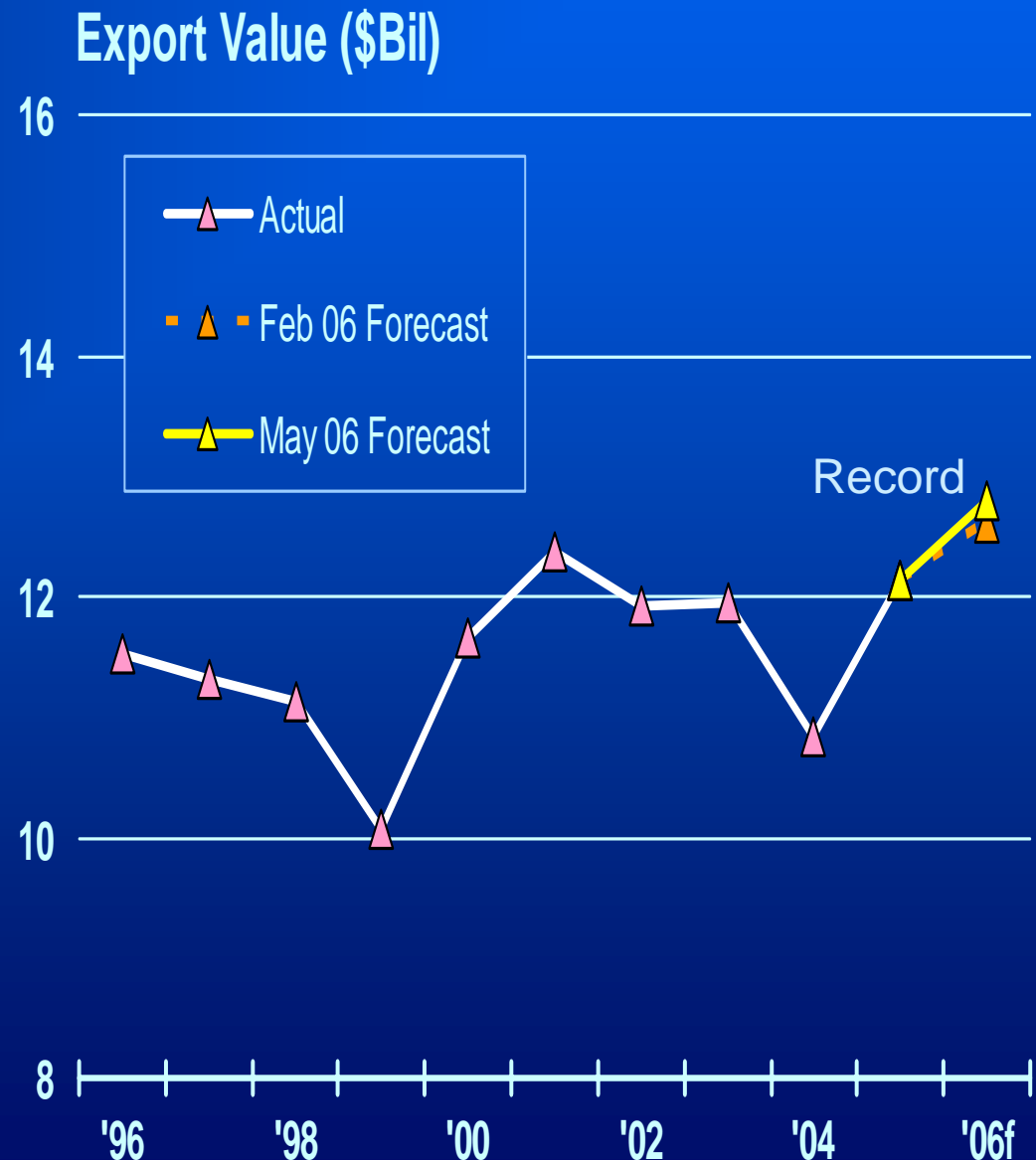


Export Outlook for Dairy, Livestock & Poultry

Revised FY 2006 Forecast:  \$200 Million to \$12.8 Billion

Revised FY 2006 Forecast *Key Developments*

- Broiler meat exports raised to 2.4 million tons valued at \$2 billion due to stronger sales to Russia and price-sensitive markets
- Small gains in beef sales to Asia

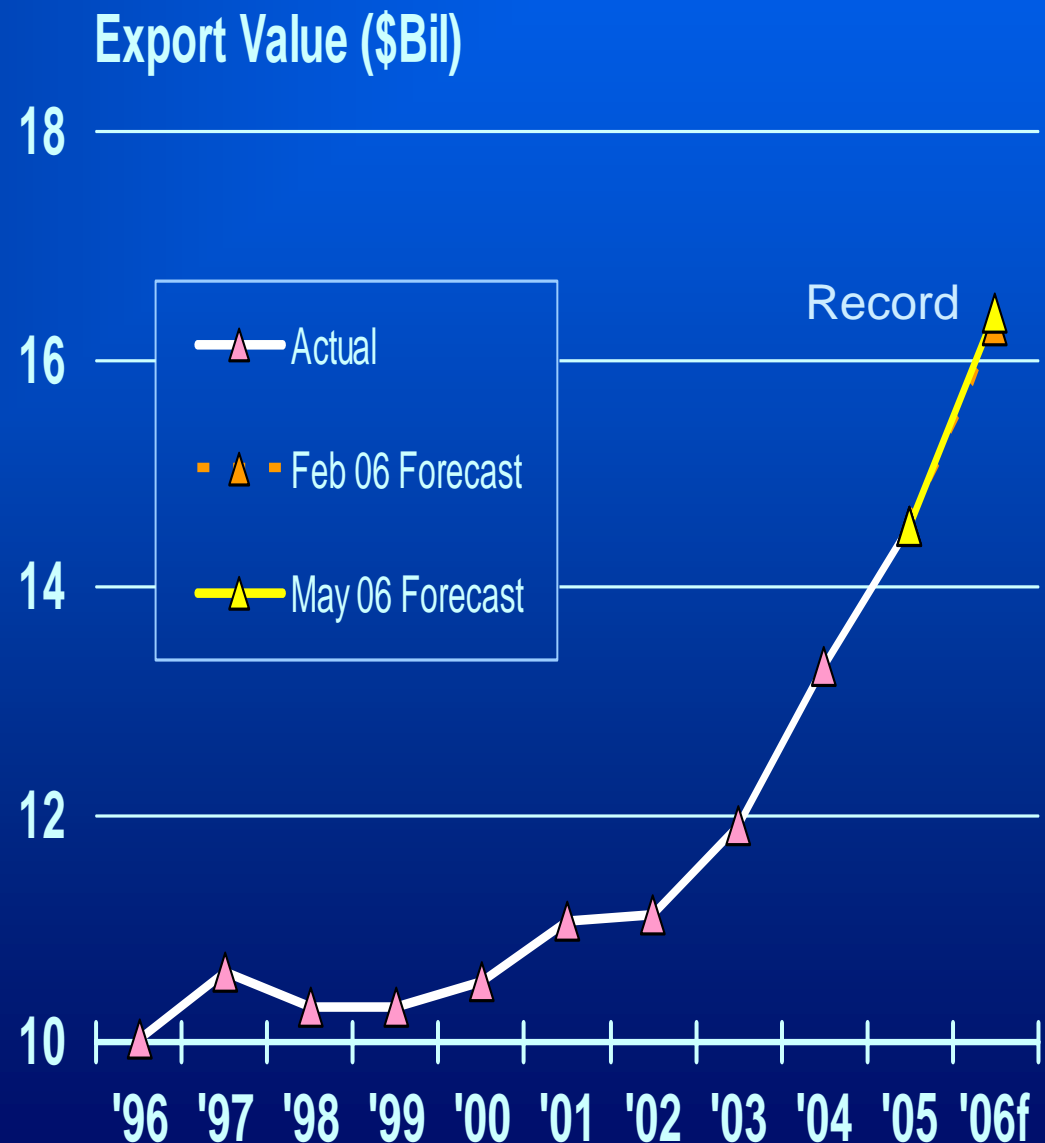


Export Outlook for Horticultural Products

Revised FY 2006 Forecast:  \$100 Million to \$16.4 Billion

Revised FY 2006 Forecast *Key Developments*

- Weaker U.S. dollar supports exports
- Strong fresh grape, fresh apple and fruit juice sales



Forecasts are not official USDA estimates.

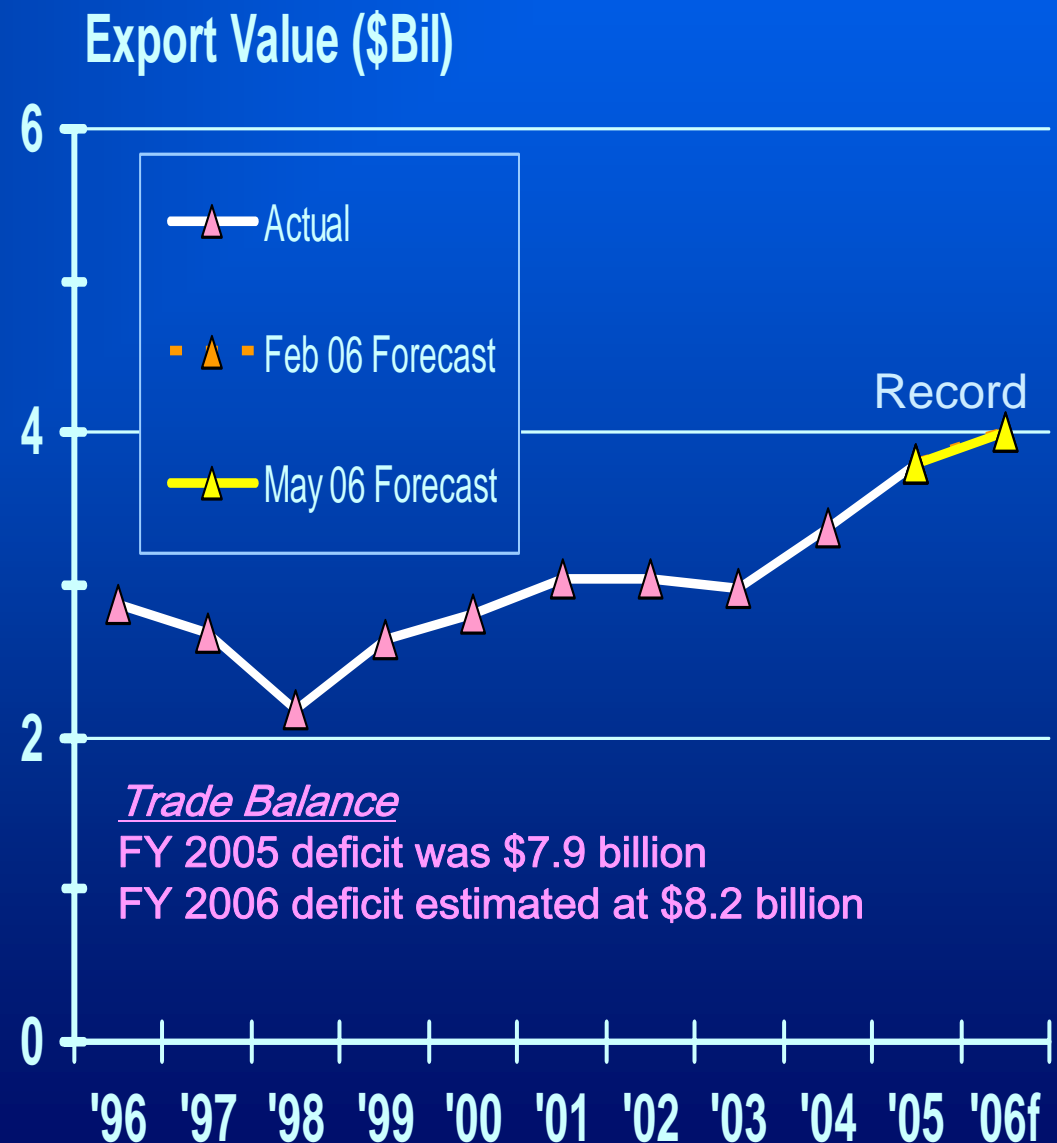
Export Outlook for Fishery Products

Revised FY 2006 Forecast: Unchanged at \$4.0 Billion

Revised FY 2006 Forecast

Key Developments

- Pacific halibut and Alaska sablefish are now certified to the rigorous Marine Stewardship Council environmental standard for well-managed and sustainable fisheries



Export Outlook for Solid Wood Products

Revised FY 2006 Forecast:  \$100 Million to \$6.0 Billion

Revised FY 2006 Forecast *Key Developments*

- Exports to Canada rising on strength of hardwoods

